



City of Helena

CITY OF HELENA

REQUEST FOR PROPOSALS AUDIT SERVICES

February 8, 2017

Timeline:

- February 8 Request for proposals issued
- February 17 Questions concerning this RFP delivered to City no later than 3:00 p.m.
- February 22 Answers to questions of a significant nature will be available by 5:00 p.m.
- March 3 Proposals, including all attachments, must be delivered in writing no later than 3:30 p.m.
- March 6 - 8 * Audit Selection Committee (Committee) meets to review proposals
- March 9 – 10 * Firms invited to make presentations to the Committee, if determined necessary
- March 13 - 15 * Contract negotiated (early as possible depending on presentations)
- March 27 * Contract brought before the City Commission for final approval

* The City reserves the right to modify the schedule.

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SECTION 1: PURPOSE AND GENERAL INFORMATION

1.1 PURPOSE

The City Commission of the City of Helena, Montana (City), the Tourism Business Improvement District (TBID) Board of Directors, and the Downtown Business Improvement District (BID) Board of Directors invite qualified independent licensed municipal auditors (herein after called Auditor) having sufficient governmental and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP) to submit a proposal. The audits will encompass a financial and compliance examination of the City's Comprehensive Annual Financial Report (CAFR). The work will also encompass performing audit tests adequate to be able to provide opinions on the TBID and BID within the City's CAFR opinion. The reason for the RFP is our last 5 year contract has expired and the City uses the RFP process to obtain the best service at a competitive cost for major service-type contracts.

The City will not reimburse Audit firms for any expenses incurred in preparing proposals in response to this RFP.

1.2 PROJECT PERIOD

The project period for providing professional auditing services is for the three (3) fiscal years ending June 30, 2017, June 30, 2018 and June 30, 2019. The contract may be renewed at the sole discretion of the City Manager for each of the two subsequent fiscal years ending June 30, 2020 and 2021 depending upon successful negotiations with the Auditor.

1.3 CONTRACT AND AUDITOR RESPONSIBILITY

This RFP is being issued under the requirements outlined by the State of Montana, Department of Administration, Local Government Services (LGS). The successful Auditor and City will execute the current version of their standard contract hereafter referred to as the Contract. The entire Contract between the City and Auditor will also incorporate this RFP and the Auditor's proposal as an integral part of the Contract, except to the extent that the Contract explicitly provides to the contrary. In the event that an issue is addressed in the proposal that is not addressed in the RFP, no conflict in language will be deemed to occur. In the event of a conflict in language among any of the documents referenced above, the provisions and requirements of the LGS Contract will govern first, this RFP second, and the Auditor's response lastly.

Prior to commencement of work, the City Commissioners must approve the audit contract. Up to 90% of the total fee may be billed through interim or progress billings prior to submission of the final report to City Commissioners. The Auditor may submit final billings following the City Commission's approval of the audited financial statements in the CAFR.

The City will consider the Auditor to be the sole point of contact with regard to contractual matters. The Auditor must assume sole responsibility for providing the services offered in its proposal whether or not the Auditor is the supplier of said services or any component.

1.4 ISSUING OFFICER

The Issuing Officer or his designee will be the point of contact from the date of release of this RFP until selection of a successful Auditor. The Issuing Officer is:

Liz Hirst, Controller
City of Helena
316 North Park Avenue, Room 320
Helena, MT 59623
Phone: [406] 447-8402, Fax: [406] 447-8434
E-mail: lhirst@helenamt.gov

Subsequent to issuance of a contract, the Auditor's principal contact with the City of Helena will be the Controller, who will coordinate the assistance to be provided by the City of Helena to the Auditor. The Controller will be responsible for enforcing performance of the Contract terms and conditions and serve as liaison with the Auditor.

1.5 DESCRIPTION OF THE GOVERNMENTS

City of Helena:

Date of Incorporation	March 7, 1881
Form of Government	Commission/Manager
Population	2010 U.S. Censes Est. - 28,190
Number of Employees	Approx. 350
FY17 Total Taxable Valuation	\$62,737,950
Budget Information (FY17 with amendments through 1/22/2017):	
Total General Fund Budget	\$20,370,774
Total Other Funds	\$62,713,735
Total All Funds*	\$83,084,509

* Includes all expenditure types including internal charges between funds, transfers out and agency funds.

Fund Information Anticipated for Fiscal Year 2017 (subject to change):

Major Funds:	
Governmental	2
Enterprise	5
Non-major (includes agency funds)	23
Component Units	2
Federal expenditures – fiscal year 2016	\$3,444,844 (1 major program)
Computer Mainframe *	AS400
Software	SunGard HTE Accounting System
HTE Applications: General Ledger, Utility Billing, Payroll, Capital Assets, Cash Receipts, Business/Animal Licensing,	
Implementing TRAKiT for Community Development, Business Licenses, Building Permits and Code Enforcement during 2017-2018.	
Fiscal Year 2016 Audit Information:	
Approximate Auditor hours	500
(All inclusive hours provided by Wipfli LLP)	
Audit Fees	
City of Helena	\$41,000

Number of Bank Accounts 7
 (General/Payroll/Flexible Spending/City Court/Drug Task Force Savings/Police Share & Care/Civic Center Board)

Component Units - The City's reporting entity has two discretely presented component units. The Auditor must perform enough work to render an opinion on the component units' financial statements in their opinion. Reliance on other auditors or work required by the Auditor is stated below.

The Tourism Business Improvement District (TBID) is a separate legal entity and maintains its own accounting system in Quick Books. The TBID consists of two governmental funds, one of which is a 501(c)(3). All TBID staff are employees of the 501(c)(3). For the last two fiscal years the City's auditors prepared compilation reports for the TBID, but did enough audit work to provide an opinion on the financial statements in the City's CAFR. Information regarding the TBID can be found throughout this document and in the City's CAFR on pages B-1&2, and H-1 through 3 for fiscal year 2016.

The Downtown Business Improvement District (BID) maintains its own accounting system in Quick Books. The BID is a separate legal entity. Since 2010, the City's auditors prepared compilation reports for the BID, but did enough audit work to provide an opinion on the financial statements in the City's CAFR. Information regarding the BID can be found throughout this document and in the City's CAFR on pages B-1&2 for fiscal year 2016.

The City, TBID and BID believe this process is not the most cost effective method. Therefore, beginning in fiscal year 2017, the City will prepare financial statements to be included in the City's CAFR for the TBID and BID. A combined RFP is being issued for all entities. Auditors will have full access to all entities records and must perform audit work sufficient to provide the necessary opinion(s) for the component units. Auditors wishing further information can request a pdf of the compilations prepared for fiscal year 2016.

TBID Additional Information:

Date of Incorporation	April 20, 2009
Form of Government	Board of Directors/Manager
Number of Employees	2 Full-time
Financial Information (Fiscal Year 2016):	
Revenues:	
General Fund	\$305,121
Special Revenue Fund	\$ 24,407
Total All Funds	\$329,528
Expenditures:	
General Fund	\$216,187
Special Revenue Fund	\$152,672
Total All Funds	\$368,859
Fund Information (subject to change):	
Governmental funds	2
Software	Quick Books
Fiscal Year 2016 Audit Information:	
Approximate Auditor hours	25
(All-inclusive hours provided by Wipfli LLP)	
Compilation Fees	\$3,000

BID Additional Information:

Date of Incorporation	July 24, 1986
Form of Government	Board of Directors/Manager
Number of Employees	3 Full-time
Financial Information (Fiscal Year 2016):	
General Fund Revenues	\$392,160
General Fund Expenditures	\$387,238
Fund Information (subject to change):	
Governmental funds	1
Software	Quick Books
Fiscal Year 2016 Audit Information:	
Approximate Auditor hours	25
(All-inclusive hours provided by Wipfli LLP)	
Audit Fees	\$3,000

Joint Ventures - The City has one joint venture for fiscal year 2017. The Lewis & Clark Library is a component unit of Lewis and Clark County and financial amounts are provided by County staff. The financial information is generally available in November.

Certificate of Achievement – The City of Helena has received a Certificate in Excellence in Financial Reporting since fiscal year 1988 and plans to continue to submit the CAFR for review by the Government Finance Officer's Association. Budgets and CAFR's are available for review at 316 N. Park Ave., Helena MT 59623 or on the City's web site at:

<http://www.helenamt.gov/asf.html>

New Standards – The following GASB statements will be effective for fiscal year 2017:

- 77, "Tax Abatement Disclosures" – The City has been compiling this information and is confident it will be ready to make the required disclosures.
- 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans"
- 79, "Certain External Investment Pools and Pool Participants", paragraphs 18, 19, 23-26, and 40
- 80, "Blending Requirements for Certain Component Units"

We believe Statements 78, 79, and 80 will not affect the City at this time, but will implement the requirements if any qualifying event makes it necessary.

The Governmental Accounting Standards Board has also issued Statements 75, 81, and 82, which will apply to the City in fiscal year 2018. The City may elect to implement Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", in fiscal year 2017 after consultation with its actuary, and implemented Statement 82, "Pension Issues" in fiscal year 2016. We believe Statement 81 will not affect the City at this time, but will implement the requirements if any qualifying event makes it necessary.

The City's general ledger is maintained on a modified-cash basis. All year-end adjusting entries to comply with generally accepted accounting principles are done for reporting purposes only and are not booked in the general ledger other than long-term asset and liability balances.

The TBID's and BID's books are kept on a cash basis with the auditors helping ensure year-end receivable and liability balances are correct.

Auditors are highly encouraged to review the official website of the City of Helena at helenamt.gov. The website will provide a better understanding of the:

1. Responsibilities of the government
2. Types of services provided
3. Budgetary processes
4. Employee benefit and pension programs

The official website contains information to include:

1. The Mayor and City Commissioners
2. The Appointed Officials
3. The City departments and their responsibilities
4. Adopted budgets for fiscal years 2015-2017
5. Fiscal years 2014-2016 CAFR's
6. Official meeting information and resolutions and ordinances that are adopted

SECTION 2: AUDIT SERVICE REQUIREMENTS

2.1 PROFESSIONAL SERVICES REQUIRED

1. Periods to be Audited:
 - July 1, 2016 through June 30, 2017 - Fiscal Year 2017
 - July 1, 2017 through June 30, 2018 - Fiscal Year 2018
 - July 1, 2018 through June 30, 2019 - Fiscal Year 2019

The City reserves the right to negotiate with the successful proposer for up to two (2) additional years.

2. The Auditor should be familiar with and prepared to advise City, TBID and BID staff on how best to implement both current and proposed GASB Statements. In addition, the Auditor is also expected to provide informal advice and consultation throughout the audit contract period on matters relating to accounting and financial reporting at no additional cost. This would not necessarily include any task that entails significant research or a formal report.
3. Should circumstances arise during the contract period that require significant additional work to be performed in excess of the amounts set forth in the contract, additional costs shall be negotiated prior to commencement of the work and an amended contract will be submitted for approval by the City Manager. There have been no amended contracts for past audit contracts.
4. Financial Statements to be Audited/Reviewed/Prepared:
 - a. City, BID, and TBID - All statements to be included as part of the CAFR of the City of Helena as defined by the Governmental Accounting Standards Board in accordance with GASB 34 and subsequent standards. This must include all required sections such as the transmittal letter, MD&A, charts, statements, schedules, exhibits, notes, and supplementary information. City staff will prepare all sections.

5. Standards and Guidelines - The audit shall be conducted in accordance with:
 - a. Governmental Auditing Standards as issued by the Comptroller General of the United States,
 - b. Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
 - c. The Auditor shall comply with state laws contained in Title 2, Chapter 7, of the Montana Code Annotated and related rules set forth by Local Government Services of the Department of Administration as stated in the LGS Contract,
 - d. Generally accepted auditing standards,
 - e. The Single Audit Act of 1984 and all amendments, and
 - f. Any other applicable laws, regulations or procedures for the audit of a local government's CAFR prepared in accordance with generally accepted accounting principles (GAAP).
6. The Auditors shall familiarize themselves with and comply with the provisions of any and all Federal, State and City orders, statutes, ordinances, charter, debt covenants, and administrative rules and regulations which may pertain to the work required in the engagement.
7. Specified "Deliverables" - The "deliverables" required for this audit shall be completed and ready for submission by the first week in December (except as noted below) in the year 2017, 2018 and 2019 respectively. They are listed in the LGS contract (10/2011 revision), Sections 8 and 9 with the following additional reports and specifications:
 - a. A summary of significant audit findings not to exceed 800 words in length for publication in the newspaper, if necessary.
 - b. On a rotating basis, the firm shall examine a minimum of two (2) cash collection points at the City each year (not including the Accounting Division which should be reviewed annually as part of the audit). The City reserves the right to specify the locations to be reviewed, but will consider input from the Auditor. The Auditor may select and examine additional cash collection points above the minimum at their sole desire. The purpose of such examination will be to review specific internal controls as well as to determine, for a discrete period of time, collections appear to be accounted for properly and the risk of fraud is low based on the internal controls reviewed. A brief report describing the work performed and any findings or concerns will be prepared and provided to the Controller for presentation to the Audit Committee. There are eleven major cash collections points within the City to be reviewed on a rotating basis.
 - c. The Auditor will have a draft City of Helena CAFR report printed with eight copies for presentation to the City's Audit Committee by December 1.
 - d. Printed Comprehensive Annual Financial Report. The Auditor will be responsible for all costs associated with printing as stated in the LGS Contract (10/2011 revision), Section 14. The format of the Comprehensive Annual Financial Report must be similar to previous year, approved by the City, and comply with the requirements for the Certificate of Achievement for Excellence in Financial Reporting of the Government Finance Officers' Association. The Auditor may propose changes, but the City will make the final determination as to the format. The current format includes a cover designed by City staff, in color, and tabbed sectional dividers with brief descriptions of the section printed on the tab. The covers are laminated for professionalism and longevity purposes. Color graphs and/or charts are also included in the CAFR's.
 - a. The City currently uses Microsoft Word for all of the CAFR except the financial statements which are contained in Excel files. The City starts with the final version from the prior fiscal year CAFR and updates the information. The City then takes the two sets of files and produces a professional looking, high quality formatted CAFR in searchable Adobe Acrobat (pdf). A draft will be furnished to the Auditor for review prior to inserting their reports and letters. Once reviewed, the Auditor will furnish the City with reports and letters in Word or searchable Adobe Acrobat (pdf),

for insertion into the CAFR. The final version is printed as soon as possible after the Audit Committee presentation. The City also uses the final Adobe Acrobat (pdf) file for posting on the web, submission to GFOA for the Certificate of Achievement program, GASB, EMMA and other required distribution. The Auditor must provide the final version of the Adobe Acrobat required reports bearing the signature of the audit firm for inclusion in the pdf file prior to, or immediately after the meeting with the audit committee for final CAFR preparation.

- e. Twenty-five copies (covers all laminated) of the Final City's CAFR will be required.
- f. The City maintains a Building fund that issues permits and enforces building code compliance. The State of Montana requires agreed upon procedures to be performed regarding this fund with a separate report prepared and submitted to the State. The City requires five copies of the report. The administrative rules and agreed upon procedures are currently located at (subject to change by the State):

<http://bsd.dli.mt.gov/building-codes-permits/certified-government>

- g. The Auditor will complete the Federal Audit Clearinghouse "Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations" for the City and each of the City's component units by December 31st of each year.

2.2 ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

City of Helena

The City Controller is the primary contact point during each audit for the City. The Administrative Services staff, consisting of the Administrative Services Director, Controller, Budget Manager, Treasurer, Accounts Payable Clerk, and Customer Services Supervisor will provide assistance as part of the audit process, along with staff in all other departments. This includes the preparation of all necessary confirmations, completion of worksheets, retrieval and filing of source documents, preparation of reports and schedules prior to and during fieldwork. The Auditor will have access to all printed reports and the computer system to view records and print reports. Reasonable workspace, tables/desks and chairs will be made available for audit staff fieldwork. The audit staff will also be provided with access to telephone lines, photocopying and facsimile machines at no cost to the Auditor. Access to the internet can also be arranged after the City-County Information Technology staff ensures all the latest security updates are installed on the Auditor's computers.

It will be the responsibility of the City to provide copies of working papers for the fiscal year being audited. These copies shall be provided for each audit during the engagement. The Auditor should provide a list of required deliverables as early in the process as possible to give City staff time to compile them. The City will attempt to provide the information in formats requested by the Auditor unless not feasible. Most all financial transactions can be provided in multiple formats such as AS400 reports, downloads to Excel, csv, txt, and/or Adobe Acrobat. A copy of the auditor's deliverables for fiscal year 2016 has been included as Appendix B for informational purposes only with the approximate dates the City delivered them to the auditor. The City Controller can provide a computer disc with the actual documents prepared if requested by an Auditor preparing a response to this RFP. Some of the requested items are provided in other documents such as schedules in the draft CAFR files.

BID & TBID

1. The BID and TBID Directors will be the primary contact point during each audit. The Directors and other staff will provide assistance as part of the audit process. This includes the preparation of all necessary confirmations, completion of worksheets, retrieval and filing of source documents, preparation of reports and schedules prior to and during fieldwork. The Auditor will have access to all printed reports and the computer system to view records and print reports. Reasonable workspace, tables/desks and chairs will be made available for audit staff fieldwork. The audit staff will also be provided with access to telephone lines, photocopying and facsimile machines at no cost to the Auditor.
2. It will be the responsibility of the Controller to prepare the BID's and TBID's financial statements. **The Auditor will be responsible for all necessary reports and opinions for the fiscal year being audited.** The BID and TBID staff does not have the technical expertise to prepare financial statements and notes. City staff will accept responsibility for the financial statements once the work is completed.
3. The Auditor should provide a list of required deliverables as early in the process as possible to give BID and TBID staff time to compile them. BID and TBID staff will attempt to provide the information in formats requested by the Auditors unless not feasible. They may include, but will not necessarily be limited to, the following:
 1. All financial transaction information recorded in QuickBooks. The general ledgers are maintained on a cash basis. All year-end adjusting entries to comply with generally accepted accounting principles are done for reporting purposes only and are not booked in the general ledger except as needed to correct errors or ongoing reporting.
 2. The BID and TBID staff will work with City staff to post all adjusting entries necessary to prepare the statements.
 3. Support for all financial transactions including:
 - a. receivable/debt balances and activity for the period audited
 - b. activity regarding Federal Financial Assistance and other grants, if applicable (none in previous years and none expected for fiscal year 2017),
 - c. short-term payables at June 30,
 - d. bank reconciliation, vouchers in support of accounts payable, checks, etc. as needed for examination, and
 - e. all fixed assets reports.

2.3 WORKING PAPER RETENTION AND ACCESS TO WORKING PAPERS

All working papers and reports must be retained, at the Auditor's expense, for a minimum of five (5) years from the date of the audit report, unless the firm is notified in writing by the City of Helena or State of Montana of the need to extend the retention period according to the LGS Contract, section 20 (October 2011 revision). The Auditor will be required to make working papers available upon request and respond to reasonable inquiries for no additional fees.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

2.4 ANTICIPATED SCHEDULE FOR THE AUDIT

1. The planning phase of the audit engagement may commence upon notification to the acceptance of their proposal. The Auditor shall meet with the Controller prior to the commencement of each fiscal year audit to discuss the Auditor's planned approach to the audit and to provide a list of schedules to be prepared by City personnel prior to the beginning of the fieldwork.
2. Previous audits have followed the following approximate schedule.
 - August 15 – Cash basis statements from AS400 prepared and balanced and Schedule of Expenditures of Federal awards complete
 - September 15 – Majority of adjustments finished and posted other than capital outlay
 - October 15 – Financial statements complete
 - October 31 – Draft CAFR substantially complete by staff
 - October – Auditors perform majority of fieldwork.
 - 1st Week December – Draft CAFR presented to the Audit Committee and the official CAFR printed immediately after commission approval.

The City would prefer the auditor to start work in time to be finished with field work by approximately October 31. The City has experienced short time frames to complete reviews of the early drafts of the CAFR for audit committee presentation and would like to increase this time frame. Our experience would indicate the auditor should be on-site by October 15th to accomplish this task.

3. Scheduling and Procedures - The CPA firm shall develop a time schedule and procedures to be observed during the audit and prior to the beginning of each audit. The schedule and procedures will be developed in conjunction with the City and shall be subject to approval by the City. City staff will try to be as flexible as possible to meet the Auditor's scheduling needs. The audit firm must state in his proposal if changes to the schedule would result in additional costs.
4. Audit Conference - the CPA firm will have a conference with the Administrative Services Director and the City Controller for the purpose of reviewing its audit findings and recommendations at least one week prior to the issuance of management letters, certifications, or reports.
5. Date Auditor Reports and Letters Due – The Auditor should deliver reports and letters for insertion into the CAFR by November 24, 2017, November 23, 2018, and November 22, 2019 unless alternative dates are approved by the City in advance. Normally City staff and the auditors review the 1st draft CAFR, make changes, and re-review approximately two to three times prior to presenting the final draft CAFR to the City Commission's Audit Committee (Audit Committee). It is anticipated that the City will prepare the final draft CAFR containing opinion letters, management letter, and all requested reports by December 1st prior to meeting with the audit committee.
6. Presentation to Audit Committee (First week in December) - The audit report will be presented by the Auditor to the Audit Committee preferably in the first week in December. The meeting may be delayed to the second week if the Audit Committee cannot meet in the first week due to scheduling. This meeting must take place prior to the full Commission's second regularly scheduled meeting at the latest so it can be formally accepted.

7. Date Final Report Due – The 25 final printed reports must be delivered to the City at least seven (7) working days prior to December 31st, not including City holidays unless the City Controller approves a later date.
8. Presentation to the City Commission - Monday Evening, date varies (December 18, 2017 currently scheduled). The Auditor will only be required to attend this meeting if the Audit Committee or City Manager requests their presence. The Auditor has not been required to be present in the past, but will be required to attend if requested at no additional cost.

2.5 ADDENDA

Any and all addenda to this RFP will be issued in writing and e-mailed to all entities that were provided an RFP by the City. Written acknowledgment of all addenda e-mailed prior to the proposal opening must be received by the proposal deadline unless stated otherwise in the addenda, and must become part of the Auditor's proposal.

SECTION 3: PROPOSAL REQUIREMENTS

3.1 PROPOSAL REQUIREMENTS

This document is intended to be used as the instrument to transmit proposals and to define the terms, conditions and specifications desired by the City to receive proposals for continuing external audit services. It is the intent of the City to select a single Auditor to supply the services necessary for successful completion of all projects, as defined herein for the City, TBID and BID, beginning the date of award and ending three (3) years thereafter. The contract may be renewed at the sole discretion of the City Manager for each of two subsequent fiscal years. Each proposal submitted should be organized and arranged to correspond with the numbered sections of this RFP that require a response. Conciseness and clarity of content are emphasized and encouraged. The response must be complete. All pages of the proposal should be numbered.

3.2 GENERAL ORGANIZATION OF PROPOSAL

In order to standardize the review process, the Auditor's proposal must be presented in the following format and include the designated information. The Auditor may use an electronic version of this section and provide answers after each part.

Section A - Experience and Other Qualifications

The first section should address the requested information below. The corresponding response should begin with the number of the requested information.

1. Title Page - Show the RFP subject, the name of the proposer's firm, mailing address, location address, telephone number, name of contact person, and the date.
2. Provide a list of the office's current and recent government audit clients, indicating the type(s) of services performed and the number of years served for each. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contacted by the City for reference. The City would prefer references from clients that prepare a CAFR.

3. Indicate the experience of the local office in providing additional services to government clients by listing the type(s) of service performed.
4. Describe your audit organization's participation in AICPA-sponsored, or comparable quality, control programs (peer review). Provide a copy of the firm's current peer review including management letter and responses, if any. Indicate whether the review included government engagements.
5. Provide the following information for each senior and higher-level person assigned to the audit:
 - a. Experience - the professional experience in governmental audits of each senior and higher-level person assigned to the audit, including years on each job and his/her position while on each audit. Indicate the percentages of time each senior and higher-level person will be on site during the City's audit. Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm. Those personnel may also be changed for other reasons with the express prior written permission of the City. However, in either case, the City retains the right to approve or reject replacements.
 - b. Education - Describe the relevant educational background of each person assigned to the audit, senior-level and higher. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.
 - c. Resume - Provide a resume for each individual who may be assigned to the audit which describes his/her professional qualifications, licenses and experience in auditing relevant government organizations, programs, activities, or functions. Additional information should include any specialized skills, training, or background in public finance. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books. Provide the office location the individual is located at.
6. Identify proposed sub-contractors, if any, and the portions of the engagement for which they will be used.
7. Describe how the firm meets professional independence standards.
8. Describe liability insurance coverage arrangements to assure that it is sufficient to cover claims.
9. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office, if any.
10. Identify any potential audit difficulties such as inability to comply with any requirements listed above, along with the firm's proposed resolution and any additional assistance expected from City staff not listed above.
11. Specify whether the Auditor will agree to provide the formatting and printing as outlined in Section 2: Audit Services Required, 7 (e) Printed Comprehensive Annual Financial Report (a). The Auditor may propose a different method if the City's current procedures are not

acceptable to them. The Auditor's proposal will be evaluated based the ability of the City to easily use the ending product for future fiscal year audits and any additional costs to the City (IE. additional software, extra staff time involved, etc.).

12. Provide any other information you believe relevant to the decision of selection of the best auditing firm for the City.

Section B - Cost Proposal

Proposals should include cost estimates and other necessary cost information. The responsibility for submitting the proposal to Clerk of the Commission on or before the above stated time and date is solely that of the Auditor. The City of Helena will in no way be responsible for delays in mail delivery or delays caused by any other occurrence. Include the following information:

1. Describe the organization of the audit team and the approximate percentage of time spent on the audit by each member.
2. Comment specifically on the timeline and how the City can assist in expediting the audit. Describe assistance expected from the City staff, if other than outlined in RFP.
3. Specify if the Auditor can complete field work and provide reports and letters for insertion into the CAFR by November 24, 2017, November 23, 2018, and November 22, 2019 as stated earlier. State the approximate date the Auditor would be able to be on-site for the material portion of the field work.
4. Identify a tentative schedule for completing the audit within the specified deadlines.
5. Specify costs for audit services for the fiscal years ended June 30, 2017, June 30, 2018 and June 30, 2019. The cost for auditing fiscal years ended June 30, 2017, 2018 and 2019 are binding. Include estimated hours, hourly cost and total cost per level of personnel assigned, total personnel costs and any related costs such as travel, cost of supplies and materials, preparation costs and any other costs. If travel costs are necessary, the total cost must include the Auditor's full travel costs, with the audit firm assuming any additional costs related to travel cost changes (IE. The Auditor cannot request a change to the contract if travel costs or hours related to travel change for any reason). The costs should be broken into three sections:
 - a. Cost for City portion of the audit as stated above.
 - b. Cost for additional work necessary to provide an opinion in the City's CAFR related to the fair presentation of the BID.
 - c. Cost for additional work necessary to provide an opinion in the City's CAFR related to the fair presentation of the TBID.
6. Identify and describe any other important cost-based information such as additional charges for unanticipated events and how they would be determined.
7. Include a signed "Authorized Signatures and Attestation" form (Exhibit A).

3.3 PROPOSAL SUBMITTAL

Three copies of the proposal should be submitted at the time and place indicated below and on the cover page.

Proposals should be submitted in two sealed envelopes. One envelope should include Section A material and the other envelope should include Section B material. *Section A* will be comprised of the audit firm's experience and qualifications of its personnel in performing governmental audits. There should be no dollar units or total costs included in *Section A*. The Auditor Selection Committee will evaluate the Auditor/firm on educational and technical qualifications. *Section B* is the Auditor's cost proposal.

All proposals must be delivered to City at the address noted below no later than 3:30 p.m. on Friday, March 3rd. Late proposals will be rejected. All proposals must be recorded in the Clerk of the Commission's office on or before the time and date indicated on the RFP Document. The responsibility for submitting the proposal to the Clerk of the Commission on or before the above stated time and date is solely that of the proposer. The City will in no way be responsible for delays in mail delivery or delays caused by any other occurrence.

The City reserves the right to reject any or all proposals if there is good cause; to cancel the solicitation; waive technicalities; request clarification or additional information and be the sole judge of suitability of the services for its intended use and further specifically reserves the right to make the award and negotiate a final contract in the best interest of the City considering cost effectiveness. Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the proposal. The City reserves the right to retain all submitted proposals.

Section A – Experience and other Qualifications Proposal:

Please provide three (3) complete copies of the written proposal in envelope(s) as follows:

Name of Firm
Proposal for External Audit of Comprehensive Annual Financial Report
Do Not Open Until March 3, 2017 after 3:30 p.m.

Section B - Cost Proposal:

The firm's detailed price (maximum fee) for the audit of the CAFR will be submitted in a separately sealed envelope. Provide three (3) complete copies of the cost proposal envelope as follows:

Firm's Name
Fee Quotation for Annual Audit - Comprehensive Annual Financial Report

Address the mailing envelope(s) as follows:

City of Helena
Clerk of the Commission
316 N. Park Ave., Room 323
Helena MT 59623

SECTION 4: CONTRACT AWARD

4.1 Selection Process

1. The State of Montana, Department of Administration, Local Government Services requires cities to evaluate proposals based on the first seven criteria (not in order of importance) listed below:
 - a. listing on DOA roster,
 - b. independence, as defined by applicable standards,
 - c. demonstrated understanding of the work to be performed,
 - d. technical experience of the independent auditor in conducting similar types of local government entity audits,
 - e. qualifications of staff to be assigned to the audit,
 - f. work history of the independent auditor,
 - g. and the proposed audit fee.
 - h. Additional criterion considered will be:
 - i. The Auditor's agreement to use current CAFR printing methods or proposal of an acceptable alternative method.
 - ii. The ability to determine the total cost of the audit. IE Costs that are listed as variable and cannot be specifically determined may be discounted during the review process at the discretion of the City.
2. The Auditor Selection Committee (Committee) will evaluate the proposals. The Committee will include the City Controller and Administrative Services Director and may include other City staff, members of the City Commission, employees or board members of the BID, TBID or other persons with accounting and auditing expertise. Proposals will be evaluated using three (3) sets of criteria in part 5 below. Firms meeting the mandatory criteria will have their proposals evaluated and scored for technical qualification and, if qualified, price. The Committee will use a point formula during the review process to score proposals. Each member of the Committee will first score each technical proposal by each of the criteria described below. The individual scores will then be combined to arrive at a composite technical score for each firm. At this point, any firm with an unacceptably low technical score (35 points and lower) will be eliminated from further consideration.
3. After the composite technical score for each firm has been established, the cost proposal of firms meeting all qualification criteria will be analyzed and additional points will be added to the technical score based on the bid price. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional shares will be assigned to other proposals.
4. The City reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether the proposal is selected.
5. The following represent the principal selection criteria, which will be considered during the evaluation process.
 - a. Mandatory elements:
 - i. The audit firm is independent, licensed to practice in Montana and listed on the State of Montana, Department of Administration roster.
 - ii. The firm has no conflict of interest with regard to any other work performed by the firm for the City and other entities.
 - iii. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
 - iv. The firm submits a copy of its last quality control review report and the firm has a record of quality audit work.

b. Technical qualifications (Maximum Points - 70)

i. Expertise and Experience

1. The firm's past experience and performance on comparable government engagements.
2. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.

ii. Audit approach

1. Adequacy of proposed staffing plan for various segments of the engagement
2. Adequacy of proposed audit schedule

iii. Report Preparation

1. Firm agrees to work with current report preparation or proposes an adequate alternative proposal.

c. Price (Maximum Points - 30)

Cost will not be the primary factor in the selection of an audit firm. Price used will be total cost of City, TBID, and BID prices in total. The requirement to show separate costs is so we know how much to allocate to the TBID and BID each year.

Exhibit A

CITY OF HELENA RFP - Audit Services

Authorized Signature and Attestation

I, the undersigned, an authorized representative of _____, whose address is _____ "have read and thoroughly understand the specifications, instructions and all other conditions of the RFP - Audit Services issued by the City of Helena for Audit Services for the fiscal years ended June 30, 2017, June 30, 2018 and June 30, 2019.

Acting on behalf of my accounting firm, which is listed above, I do attest that the services offered by us meet the City of Helena's specifications in every respect (check one):

_____ without exception / _____ with exception(s). (please note exception(s) below)

We, therefore, offer and make this bid to furnish the City of Helena the audit services detailed in this proposal, at the price indicated.

Date: _____

Signature: _____

Printed Name: _____

Title: _____

Exhibit B

DOCUMENTS REQUEST LIST				
No.	Requested Item	Responsible Person	Target Date	Date Received
1	Access to the current Chart of Accounts.	Liz	10/3/2016	9/16/2016
2	Copy of the most recent Organizational Chart.	Liz	10/3/2016	10/11/2016
3	June 30 Trial Balance - Accrual Basis.	Liz	9/26/2016	10/11/2016
4	Access to the general ledger.	Liz	10/3/2016	9/16/2016
5	Major Fund Determination.	Liz	9/26/2016	9/29/2016
6	Draft of the CAFR.	Liz	10/3/2016	10/13/2016
7	Copies of the minutes of the City Commission for all meetings after June 30.	Robyn Brown	10/3/2016	10/11/2016
8	Copy of the financial statements for the City-County Building Administration Building as of June 30.	Liz	10/3/2016	N/A
9	Access to all accounting policies and procedure manuals or similar documentation.	Liz	10/3/2016	10/11/2016
10	Schedule summarizing any prior period adjustments proposed.	Liz	10/3/2016	N/A
Cash and Investments				
11	Detailed schedule of cash and investments, noting where the cash is held, amount, any interest receivable.	Liz	10/3/2016	10/11/2016
12	Schedule of cash accounts outside the Treasurer's office.	Liz	10/3/2016	10/11/2016
13	Bank reconciliations for all accounts.	Liz	10/3/2016	10/11/2016
14	Schedule showing fiscal agent deposits at June 30, if any.	Liz	10/3/2016	10/11/2016
15	Schedule of interest income allocations during the year, or access to monthly allocations.	Liz	10/3/2016	10/11/2016
16	Schedule of total investment earnings for all funds, including Agency funds, for the fiscal year.	Liz	10/3/2016	10/11/2016
17	Schedule of pledged securities held by financial institutions in the City's name.	Liz	10/3/2016	10/11/2016

18	Schedule of restricted cash and investments.	Liz	9/26/2016	10/11/2016
Confirmations				
19	Standard bank confirmations - please confirm cash and investment accounts at June 30, 2016. This would include certificates of deposit, repurchase agreements and other accounts. We will provide standard bank confirmations for this purpose. Please fill them out and return them to us for mailing.	Liz/Glenn	10/3/2016	Done on-line for US Bank
Federal Programs and Other Grants				
20	Schedule of expenditures of federal awards.	Liz	9/26/2016	8/30/2016
21	Access to grant files, correspondence with grantor agencies, and other related information.	Departments	10/3/2016	done
22	Schedule of intergovernmental revenue that can be used to test completeness of SEFA.	Liz	10/3/2016	9/12/2016
Receivables				
23	Supporting documentation for taxes receivable.	Liz	10/3/2016	7/5/2016
24	Reconciliation of taxes receivable to County records.	Liz	10/3/2016	7/5/2016
25	Schedule of other receivables.	Liz	10/3/2016	9/28/2016
26	Analysis of uncollectible receivables.	Liz	10/3/2016	10/11/2016
27	Detailed listing of requested accounts receivable balances for confirmation.	Liz	10/3/2016	N/A
28	Copies of long-term loan receivable agreements with related amortization schedules.	Liz	10/3/2016	10/11/2016
29	Schedule of interest receivable on long-term loans or other receivables that accrue interest.	Liz	10/3/2016	10/11/2016
Due from Other Governments				
30	Schedule of Due From Other Government balances.	Liz	10/3/2016	10/11/2016
Inventory				
31	Detailed listing of inventory items at 6/30/16, by location.	Liz	10/3/2016	10/11/2016
Prepaid Expenses & Other Assets				
32	Schedule of prepaid expenses and other assets, if any.	Liz	10/3/2016	N/A

Capital Assets				
33	Capital asset additions and capital outlay reconciliation by fund.	Liz	10/3/2016	10/11/2016
34	Detail listing of all current year additions.	Liz	10/3/2016	10/6/2016
35	Detail listing of all current year deletions, including proceeds from any sales.	Liz	10/3/2016	10/11/2016
36	Detail listing of capital assets at June 30.	Liz	10/3/2016	10/11/2016
37	Depreciation schedule as of June 30.	Liz	10/3/2016	10/11/2016
38	Schedule showing allocation of depreciation on general capital assets to governmental functions.	Liz	10/3/2016	10/11/2016
39	Summary schedule of capital assets by type, reporting beginning balance, additions, deletions, and ending balance. Also accumulated depreciation by type with beginning balance, additions, deletions, and ending balance.	Liz	10/3/2016	10/11/2016
Long- Term Debt and Short – Term Obligations				
40	Agreements and documents for all bonds, loans, leases etc.	Liz	10/3/2016	10/11/2016
41	Schedule of debt maturities.	Liz	10/3/2016	10/11/2016
42	Schedule of long-term debt activity (beginning balance, additions, payments, ending balance).	Liz	10/3/2016	10/11/2016
43	Schedule of compensated absences with break-down between long and short-term amounts.	Liz	10/3/2016	10/11/2016
44	Schedule of conduit debt obligations.	Liz	10/3/2016	10/11/2016
Payables				
45	Accounts payable detail at June 30.	Liz	10/3/2016	10/11/2016
46	Disbursements from July 1, 2016 through fieldwork.	Liz	10/3/2016	10/4/2016
Accrued Liabilities				
47	Schedule of accrued payroll and related liabilities at June 30.	Liz	10/3/2016	10/11/2016
48	Calculation of accrued interest payable at June 30.	Liz	10/3/2016	10/11/2016

GASB 68				
49	Contribution totals of retirement into each plan, PERS, MPORS, FURS-Gaba, and FURS-Non Gaba	Michelle/Human Resources	10/3/2016	10/11/2016
50	Employee listing and earnings report for year ended 6/30/2016 with detail of amount contributed to PERS, MPORS, or FURS depending on which department they are employed with	Michelle/Human Resources	10/3/2016	10/14/2016
Deferred Revenue				
51	Schedule of deferred revenue by fund with notation of why revenue is considered deferred.	Liz	10/3/2016	10/11/2016
Interfunds				
52	Schedule of due to/due from other funds	Liz	10/3/2016	10/11/2016
53	Schedule of transfers in/out by fund.	Liz	10/3/2016	10/11/2016
54	Schedule of advances to/from other funds, if any.	Liz	10/3/2016	10/11/2016
Taxes				
55	County reports showing tax revenue collected for the City.	Liz	10/3/2016	10/11/2016
Budgets				
56	Copy of the final fiscal year adopted budget.	Bob Ricker	10/3/2016	10/11/2016
57	Copy of resolution adopting the fiscal year budget.	Bob Ricker	10/3/2016	10/11/2016
58	Reconciliation showing original budget plus any budget amendments during the fiscal year. The final budget amounts should agree with the general ledger.	Bob Ricker	10/3/2016	10/11/2016
59	Proof of publication of fiscal year budget.	Bob Ricker	10/3/2016	10/11/2016
60	Copy of fiscal year budget, when completed.	Bob Ricker	10/3/2016	10/11/2016
61	Budget vs. actual statements for all funds.	Liz Hirst	10/3/2016	10/11/2016

SID				
62	Receivable and deferred revenue balances at June 30.	Liz	10/3/2016	10/11/2016
63	Schedule of collections and delinquencies.	Liz	10/3/2016	10/11/2016
64	Schedule of revenues, expenses and pay-off's during the fiscal year.	Liz	10/3/2016	10/11/2016
Lease Commitments				
65	Listing of all lease agreements where City is lessor and lessee with related payment requirements and termination dates.	Liz	10/3/2016	10/11/2016
General				
66	Copies of any significant interlocal agreements.	Liz	10/3/2016	10/11/2016
67	Schedule of City contributions and rates to PERS, FURS, and MPORS.	Ciarra Krantz	10/3/2016	10/11/2016
Self-Insured Health Plan				
68	Beginning and ending check numbers for the plan. We will select a sample and require supporting documentation of claims processed.	Ciarra Krantz	10/3/2016	10/14/2016
Landfill and Postclosure Costs				
69	Schedule showing computation of landfill closure and postclosure care costs at June 30, including supporting workpapers from outside engineers.	Liz	10/3/2016	10/11/2016
Agreed Upon Procedures				
70	Detail of all building expenses for the fiscal year.	Liz	10/3/2016	10/11/2016
71	Revenue detail report for building for the fiscal year.	Liz	10/3/2016	10/11/2016
72	Electrical-Commercial variance report	Tammy Dupree	10/3/2016	10/17/2016
73	Building fire code inspection report/invoice	Tammy Dupree	10/3/2016	10/17/2016
74	Detail of building permit fees for the fiscal year	Tammy Dupree	10/3/2016	10/17/2016

75	Building Code Education Fund Assessment report for fiscal year– invoice showing building permit revenues are appropriately remitted.	Tammy Dupree	10/3/2016	10/17/2016
76	Internal Charges Excel Worksheet	Liz	10/3/2016	10/11/2016

